

2008 DCA Qualified Allocation Plan General Questions and Answers Posting #4

1. We have two sites that are in minority areas. Neither project will have HOME funds but will request 3 units of DCA's PBRA and they are new construction. Does the DCA PBRA trigger the need for Site & Neighborhood Standards?

Yes.

2. Threshold criteria 12.C requires of senior projects that "100% of the units must be accessible and adaptable, as defined by the Fair Housing Amendments Act (waiver may be available for properties built prior to 1991)." Can you provide more guidance on some conditions under which a Senior rehabilitation project might qualify for an architectural standards waiver from this requirement.

DCA would consider Architectural Waiver requests to deviate from this policy in rehabilitation projects built for first occupancy before March 13, 1991 that can establish impracticality because of terrain or unusual site characteristics as detailed in 24 CFR Sec. 100.205 (a) and (b) or financial infeasibility. DCA recommends that you consult an accessibility expert to review your options under the Fair Housing Amendments Act.

3. We are working on a Phase I ESA for a client and the 18.5-acre site is roughly 85 to 95 % within city limits. The city FIRM indicates that this property is not in the 100 year flood plain and the county FIRM indicates that a small portion of the property is in the 100 year flood plain. We would like to show both maps in the Phase I report and mention the discrepancy in the narrative of the report and propose that once DCA funding is approved a topographic survey would be completed and then we would have to get the city to establish a base flood elevation to resolve the discrepancy. Do you agree with this approach?

DCA would require that the discrepancy be resolved before environmental approval at threshold can be made. A major question is that even though two maps are involved and there is a small portion of floodplain on one of the maps and not the other, will any construction or disturbance occur in the floodplain as depicted on the county map? If no, then the statement can be made by the Environmental Professional that although a floodplain is on the property, no construction or disturbance will take place in the floodplain and a deed restriction will be placed on that portion of the property to prohibit future development and the processing of the application can then continue (See Q&A Posting #3). If there is a floodplain disturbance or construction, then compliance with the eight-step process is required if HOME funds are requested or HUD funds, including, but not limited to PBRA, are present as a funding source.

4. We are completing the environmental checklist, but there is a reference at #27 to the 79(g) report/analysis. Since that analysis is an FHA analysis which requires ongoing FHA review (which to our knowledge is no longer utilized, and which when utilized, would only be utilized in an FHA transaction or FHA-insured transaction), we

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are asking whether we should simply reference and attach a geotechnical report with respect to any fill that has been located on site.

Attach a geotechnical report with respect to any fill that has been located on site.

5. Is it permissible for an inexperienced Owner/Developer to engage one or more consultants for purposes of meeting DCA's threshold capacity requirements and to obtain a maximum compliance score? For example, can one consultant be engaged to assist an inexperienced Owner/Developer with the project's development activities and application submission? and another consultant be engaged to assist the same inexperienced Owner/Developer with management/ lease-up and Owner's compliance score?

We are not clear what you are asking, but you are not barred from using one or more consultants.

6. We are aware that all third party reports such as the physical condition survey and the environmental report are required to have been completed within 6 months of the date of submission to DCA. Does this time requirement also apply to the site survey?

A conceptual site development plan must be included in the application and prepared in accordance with instructions set forth in the architectural manual. This plan is not intended to be a final site development plan; there is no requirement for an ALTA survey at this time. However, in order to graphically delineate the specific relationship of unit arrangement to the site, adjacent properties and the relationship of buildings to existing or proposed roads, the most current site information must be incorporated into the conceptual site plan. DCA will conduct a site inspection on all proposed developments to verify that all site plans are developed in accordance with requirements stipulated in the Architectural and Environmental manuals.

7. Hope you are doing well. We are currently putting together the market study pre-application package for submission on April 15th. Are we required to submit the entire completed core application with the market study pre-app submission or just certain tabs?

The following information is what DCA needs to order a market study as part of the pre-application process:

The following sections from the DCA core application should be completed:

**Applicant contact
Project location
Project Description
Tenancy Characteristics**

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Rent/Utility Schedules

In addition, the following information should be provided to the extent that it is available:

List of Amenities and Services

Project narrative that clearly describes the project

Any market information that you want the analysts to consider

Site plan showing location of project

Physical needs assessment if available; if not available, provide a narrative of proposed rehabilitation

PBRA commitment if available (not required if not issued)

8. Is the HOME/HUD Site & Neighborhood Standards Form required for an acquisition/rehab project that has an **existing** HOME loan that will be assumed?

No. HOME/HUD Site & Neighborhoods standards must be completed only for new construction projects applying for HOME.

9. Paragraph 9b.(iv) of the Environmental Manual states, "Where structures have been demolished, lead in soil sampling for total lead is required, unless waived by DCA at its sole discretion." The Phase I Report states "Although a previous single-family residential structure existed on the Project Site, [it is our] opinion [] that the probability is low that lead concentrations in the soil are above HUD limits. [] recommends a waiver be issued by the DCA regarding lead in soil testing." I cannot find such a waiver. The only Environmental Waiver Form I found is for noise. If there is a waiver form for this, please tell me how to find the same. If not, how do I apply to have the soil sampling requirement waived as suggested by the environmental engineer?

You need to send a letter which states the below with any supporting documentation to support the waiver. However, given the information provided, it is unlikely that DCA would grant the waiver.

10. We are working with [] on a senior deal in [] County and our project is going to have a van for the use of our residents. Would we be entitled to the points under "On call bus services designed for use by seniors for senior projects"?

DCA can not say with certainty that this van would qualify for points. That decision cannot be made until we actually score the application. However, there is no "ownership" requirement for claiming points under the specified scoring section. Therefore, as long as the bus/van meets the requirements of that section, DCA would not consider a project owned bus or van ineligible.

11. I would like clarification on the answer to Q & A #9, Posting 3. The questioner pre-supposed that the entire governmental financial assistance would come from a public housing authority. My understanding was that governmental financial assistance

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could come from any source as defined by the QAP in Scoring Section XVI. For the PHA Community Building Initiative, the HOPE VI and/or Capital Funds must be used for "the project's hard costs" and that "in addition, the PHA must have an additional 5% investment to claim points." *As I read this, it does not seem to predicate that the full government financial assistance must come from the PHA for the PHA Building Initiative*, but that at least 5% of the TDC must come from the PHA, in addition to the 10% from another source. Could you please clarify your position on this scoring criteria?

Government financial assistance can come from any source. However, to claim the PHA points, there must be a 15% contribution by the PHA.

12. If we are not applying for DCA HOME funds, do we need to submit to DCA the rest of the documents listed in Tab 21 "additional HOME/HUD Requirements"?

If no DCA HOME is requested, then the applicant has to submit the forms only for site and neighborhood standards, as applicable (Site & Neighborhood Standards Pre-Approval, Site & Neighborhood Certification, US Census Tract documentation). All other forms in Tab 21 are not required.

13. DCA will allocate 3 points for projects that are comprised of 100% nonprofit organizations and is applying under the nonprofit set-aside. Our project will be comprised of two nonprofits. Do both nonprofits need to provide legal opinions or can one of them simply provide a letter from the IRS verifying nonprofit status?

For scoring purposes, a legal opinion is required for both entities.

14. For new construction projects, the Developer fee is 15% of Total Development Costs less Developer Fee, demo costs, & cost of Land. Are we able to include the rent-up and operating reserves in the calculation of the Developer fee? p. 16 - Rent-Up Reserves *3 months of projected operating expenses constitutes a reasonable reserve. Do we include the Debt Service in the calculation of the reserve?

Only those deductions listed in the Developer Fee limitation/calculation as found in Section 9, Underwriting Policies of the Core Plan are deducted from total development costs.